

Clean Copy of amended portion of Specification:

On page one, line 3, please replace the original paragraph with:

The present application is a continuation of pending U.S. Patent Application S.N. 09/124,568 filed July 29, 1998 and which is scheduled to issue as U.S. Patent No. 6,594,311 which claims the benefit of U.S. Provisional Application No. 60/064,584 filed October 20, 1997.

On the last page of the application please replace the original abstract with:

Methods and apparatus for encoding image data to facilitate subsequent insertion of local image data. Also methods and apparatus for inserting image data, e.g., at local broadcast stations, without having to fully decode a received encoded bitstream. The encoding methods involve treating images to be encoded as a plurality of distinct, non-overlapping image regions or segments for encoding purposes. Image segments which are designated for use for local data insertion are not used as reference data for motion compensated prediction purposes when generating motion vectors to represent image areas, e.g., the area representing the main picture, which are outside the local data insertion segments. Because image segments which may be replaced are not used as reference data for image segments which will not be replaced, unintentional prediction errors which might otherwise result from replacing one or more image segments as part of a local data insertion operation are avoided.